

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MADGE C. BOGGS)	
)	
COMPLAINANT)	
)	
VS.)	CASE NO. 91-342
)	
FRANCIS WATER COMPANY)	
)	
DEFENDANT)	

O R D E R

On September 23, 1991, Madge C. Boggs filed a complaint against Francis Water Company ("Francis Water") alleging that Francis Water had allowed new customers to connect to a water line constructed by Mrs. Boggs without reimbursing her for the cost of construction. On October 7, 1991, the Commission entered an Order directing Francis Water to satisfy or answer the matter complained of in the complaint. Francis Water on November 11, 1991 filed its answer admitting the allegations of the complaint and requesting a decision from the Commission outlining its responsibilities under the circumstances described in the complaint. This case was set for hearing by Order of the Commission entered February 28, 1992. The hearing was held on March 31, 1992 at which time both parties appeared. Mrs. Boggs represented herself at the hearing and Francis Water was represented by counsel.

FINDINGS OF FACT

Francis Water is a Kentucky corporation which owns, controls, and operates facilities in Floyd County that are used to furnish and distribute water to the public for compensation. Mrs. Boggs is a resident of Floyd County and a customer of Francis Water.

In July 1990, Mrs. Boggs requested service from Francis Water to her home on Bolen Branch. At the time, Francis Water was constructing, or had recently completed constructing, a water main along Highway 80 to the community of Rockfork. The new main passed within a quarter mile of Mrs. Boggs' home and she requested that Francis Water provide service to her home from that main. Francis Water agreed to connect Mrs. Boggs to the new main provided she constructed a water line from the main. Mrs. Boggs contracted with Right Beaver Construction to construct the water line from her home. Right Beaver Construction charged Mrs. Boggs \$1,500 to construct the water line which is 1,622 feet in length. After the new line was constructed, Mrs. Boggs began receiving water from Francis Water. Although Francis Water normally requires each new customer to pay a tapping fee of \$180 as provided in its tariff on file with this Commission, Mrs. Boggs was not charged for that fee.

Since Mrs. Boggs' line was constructed, Francis Water has allowed two other customers to tap on to the line. The new customers were charged only the tapping fee of \$180. Francis Water did not reimburse Mrs. Boggs for any portion of the cost of constructing the new line by Francis Water after the new customers were added to its system.

CONCLUSIONS OF LAW

Francis Water is a utility subject to the jurisdiction of this Commission and required to operate in accordance with its regulations. As a utility, it is required to extend service to customers that it can reasonably serve. In extending service, 807 KAR 5:066, Section 12(1), provides that the utility shall bear the cost of any extension 50 feet or less in length. When the extension exceeds 50 feet in length, the utility may, pursuant to Subsection (2)(a) of that section, require an applicant for service to pay the cost of the excessive footage. In such a case, the customer is entitled under Subparagraph (b) of that section to be reimbursed an amount equal to 50 feet of the cost of construction for each new customer that connects to the line. The right of reimbursement continues for a period of 10 years from the completion of construction.

The line constructed by Mrs. Boggs is 1,622 feet long and cost \$1,500, or approximately 92.5 cents per foot. Under the regulation, Francis Water should have paid a proportionate share of the cost equal to 50 feet of construction, or \$46.25. In addition, when the two additional customers were added, Mrs. Boggs should have been reimbursed \$46.25 for each of them. Thus, Mrs. Boggs is entitled to recover from Francis Water \$138.75 representing its share of the cost of constructing the new line. The total amount thus owed Mrs. Boggs is \$138.75. If additional customers are allowed to connect to the line, Mrs. Boggs will be entitled to further reimbursement of \$46.25 for each such additional customer.

Francis Water, however, is entitled to recover from Mrs. Boggs the \$180 tapping fee which it failed to collect when Mrs. Boggs connected her line to the main. KRS 278.170(1) prohibits a utility from giving preferential rates to any person and, therefore, it may not waive or excuse that fee. After crediting the amount owed Mrs. Boggs as reimbursement for construction against the tapping fee, Mrs. Boggs owes Francis Water \$41.25.

Based upon the foregoing findings of fact and conclusions of law and upon the entire record,

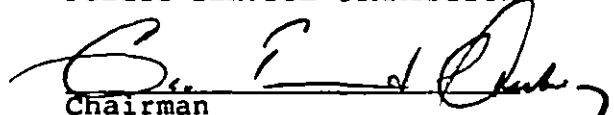
IT IS HEREBY ORDERED that:

1. Francis Water shall, within 30 days of the date of this Order, recover \$41.25 from Madge C. Boggs.

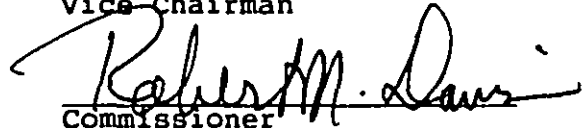
2. Francis Water shall for a period of 10 years from the date construction of the water line was completed pay to Madge C. Boggs the sum of \$46.25 for each new customer who connects to the line.

Done at Frankfort, Kentucky, this 3rd day of June, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice-Chairman


Commissioner

ATTEST:


Executive Director, Acting